DHAKA FRIDAY OCTOBER 11, 2024, ASHWIN 26, 1431 BS ● starbusiness@thedailystar.net

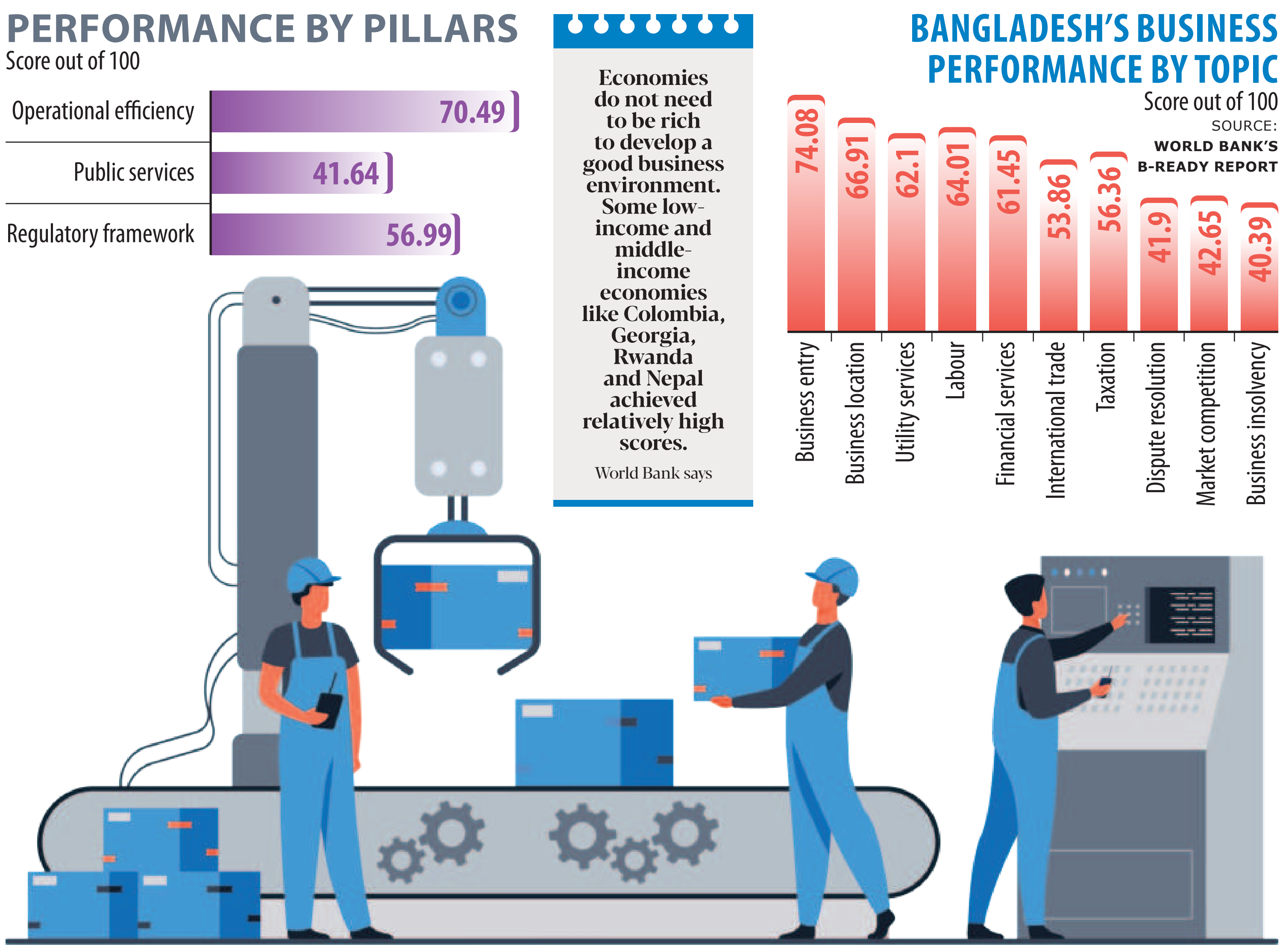
Star BUSINESS

Industrialist Ratan Tata was credited with transforming India's Tata Group into a globally renowned conglomerate with a portfolio ranging from software to sports cars

Story on B4

# Bangladesh still stays at bottom in business environment

Shows World Bank's Business Ready report




REJAUL KARIM BYRON and AHSAN HABIB

Bangladesh remains near the bottom among 50 countries in providing a conducive regulatory framework for businesses, according to a World Bank report, as the country trails even its neighbours Nepal and Pakistan.

The Washington-based multilateral lender's Business Ready (B-Ready) report, which was released yesterday, also places Bangladesh in the fourth tier of five stages for public service delivery, indicating weaker performance in this area too.

In operational efficiency, the WB places Bangladesh in the second stage against a total of five tiers.

The B-Ready report replaces the World Bank Group's discontinued "Doing Business" report.

Based on data collected directly from experts and enterprises, the World Bank scores countries on ten topics, each with three pillars: regulatory framework, public services and operational efficiency.

Each pillar score is standardised on a scale of 0 to 100, and the overall score is calculated by averaging the scores across all ten topics.

The ten topics evaluated include Business Entry, Business Location, Utility Services, Labor, Financial Services, International Trade, Taxation, Dispute Resolution, Market Competition and Business Insolvency.

In terms of regulatory framework, Bangladesh scored 56.99 out of 100, placing it in the bottom quintile among the 50 economies.

The Regulatory Framework pillar assesses the effectiveness of laws and regulations in promoting good practices. Hungary led in this area with a score of 78.23, while neighbouring Nepal and Pakistan both surpassed Bangladesh with scores of 59.34 and 59.10 respectively.

For public service delivery, which measures the institutional provisions, including government facilities for regulatory compliance and the infrastructure supporting business activities, Bangladesh scored 41.64.

With a score of 73.31, Estonia tops the pillar. Among neighbouring countries, Nepal scores 49.29 and Pakistan scores 44.97 -- both performing better than Bangladesh.

In the operational efficiency pillar, which evaluates both the ease of compliance with regulations and the effective use of public services as perceived by experts and firms, Bangladesh's score is 70.49, compared to the highest score of 87.33, secured by Singapore.

Also in this area, Nepal and Pakistan beat Bangladesh, with scores of 72.21 and 65.90 respectively.

Apart from the pillar performance, B-Ready also presents information on economic performance at the topic level.

Bangladesh scored 74 points in business entry, followed by business location 66.91, labour 64, utility services 62, financial services 61 and taxation 56.

Business entry includes information and procedural standards, business registration restrictions, digital services and online information transparency.

The business location covers property transfer systems, environmental permits and digital services. Utility services assess quality, infrastructure, safety, reliability, digitisation and environmental sustainability.

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## No respite for jute goods makers from export fall

SOHEL PARVEZ

Bangladesh's exports of jute and jute goods have been falling continuously as many buyers have switched to synthetic and regenerated cotton yarn due to high prices of the golden fibre in the domestic market.

In the absence of adequate domestic demand, the country, the second-largest producer of jute after India, is reliant on global buyers for jute yarns, sacks, and bags.

However, shipments of jute and jute goods have been falling since exporters logged $1.16 billion in fiscal year (FY) 2021-22.

Earnings from the sector fell 6 percent year-on-year to $925 million in FY24.

In the July-September quarter of FY25, exports of raw and processed jute fell 20 percent year-on-year to $178 million, according to the data unveiled by the Export Promotion Bureau.

**In the absence of adequate domestic demand, Bangladesh is reliant on global buyers for jute yarns, sacks and bags**

Raw jute exports fell 31 percent in the period while shipments of jute yarn and twine, the biggest export item in the sector, declined by a fifth.

Industry stakeholders said the demand for jute yarn began to decline after the Covid-19 pandemic, when prices of locally grown raw jute shot up to Tk 5,500-Tk 6,000 per maund (around 37 kilogrammes).

"Our closest competitor is polypropylene yarn and demand for that has increased among buyers. This is also because demand for recycled carpet has increased in the West," said Md Mamunur Rahman, director of Rahman Jute Spinners Private Ltd.

Besides, the use of regenerated cotton yarn in carpet-making has seen an uptick as rugs made of cotton yarn are easy to fold.

Locally, an unhealthy competition to grab buyers among jute millers worsened the situation.

Of late, spiralling

READ MORE ON B3

## Crisis-hit banks repaying depositors for emergencies, basic needs

MD MEHEDI HASAN

As crisis-hit lenders have started getting liquidity support from the inter-bank money market, they are now repaying depositors for specific purposes, such as medical emergencies, and in the case of salary disbursement or remittance encashment.

Depositors regularly gather at the branches, head offices and ATM booths of cash-strapped banks, but are usually unable to get the amount of money they require.

However, officials of the banks said since they are now getting liquidity support from sound banks, they can repay depositors to some extent.

After obtaining a Bangladesh Bank (BB) guarantee to avail liquidity support from the inter-bank money market, First Security Islami Bank, Social Islami Bank, Global Islami Bank and National Bank received a total of Tk 945 crore in support from five sound banks.

In the second phase, First Security Islami Bank, Social Islami Bank, Global Islami Bank, National Bank, and Islami Bank Bangladesh received Tk 1,480 crore as liquidity support.

**Depositors regularly gather at the branches, head offices and ATM booths of cash-strapped banks, but are usually unable to get the amount of money they require**

Apart from National Bank, Chattogram-based conglomerate S Alam Group had a stranglehold on the board of directors of the other lenders that are now facing liquidity crises.

Following the installation of an interim government in August, all those lenders saw their boards of directors reconstituted.

So far, Union Bank has yet to get any liquidity support. As such, its new board of directors met with central bank Governor Ahsan H Mansur on Wednesday to avail the BB guarantee.

Contacted, Mohammed Nurul Amin, the new chairman of Global Islami Bank, told The Daily Star the bank was now repaying depositors based on emergency and priority.

"We request depositors not to withdraw money if there is no urgent need."

He added that the central bank should speed up the process of providing guarantees. Otherwise, he cautioned, it will be difficult to regain the confidence of depositors.

Mohammad Abdul Mannan, the new chairman of First Security Islami Bank, said normal banking activities were resuming after it received Tk 375 crore from the inter-bank money market.

He further added that the bank had already recovered around Tk 600 crore from borrowers since its board was reconstituted. READ MORE ON B3


COMMODITIES

| Gold ▲ | Oil ▲ |
|---|---|
| $2,615.32 (per ounce) | $73.85 (per barrel) |

ASIAN MARKETS

| MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
|---|---|---|---|
| ▲ 0.26% | ▲ 0.26% | ▼ 0.36% | ▲ 1.32% |
| 81,677.05 | 39,380.89 | 3,582.71 | 3,301.93 |

# Holidaymakers throng beach towns amid four-day Durga Puja festival

The Kuakata sea beach in Patuakhali is seen teeming with tourists in this picture taken yesterday. Local hotels, resorts and the like have all been fully booked for the four-day public holiday centring Durga Puja.

PHOTO: SOHRAB HOSSAIN

JAGARAN CHAKMA, MOKAMMEL SHUVO and SOHRAB HOSSAIN

Tourism in Cox's Bazar, Kuakata and Sylhet has got a boost as travellers are flocking to these regions to enjoy a four-day public holiday centring Durga Puja that began yesterday, according to industry people.

However, this influx could be because an ongoing travel ban on three hill districts in the country has reduced the number of places people can choose for their vacation.

The district administrations of Rangamati, Bandarban and Khagrachhari recently imposed the 23-day travel ban due to "unavoidable circumstances" starting from October 8.

The recent rise in travellers comes as much-needed relief for the tourism industry in Cox's Bazar, Kuakata and Sylhet as these regions were suffering from low turnout in July, August and September this year.

The domestic tourism industry registers turnover of around Tk 76,990 crore each year, as per a report by the Bangladesh Bureau of Statistics in 2020.

Bangladesh boasts about 30 tourist destinations, with roughly 2.5 crore locals visiting the spots annually.

"People used to put Cox's Bazar and the Chittagong Hill Tracts at the top of their list for travel," said a tourism and hospitality management expert on condition of anonymity.

"But ever since the construction of Padma Bridge, Kuakata and the Sundarbans have been seeing a gradual rise in the number of visitors," he added.

And considering how the turnout is also increasing in areas like Naogaon and Bagerhat, this means domestic tourism is slowly being decentralised from Cox's Bazar and the Chittagong Hill Tracts.

Against this backdrop, he said Cox's Bazar and Chittagong Hill Tracts now account for 65 percent of all domestic tourism compared to 70 percent previously.

"The tourism industry holds tremendous potential as the economy is growing steadily despite several challenges," said Hakim Ali, president of the Bangladesh International Hotel Association.

He informed that with the rising number of domestic travellers, the number of international hotels in the country has also seen growth over the years.

Besides, local consumers are spending more nowadays, which was not the case just five years ago, especially when it comes to food and beverage items.

READ MORE ON B3

# Walton launches digital campaign with 'double million' offer

STAR BUSINESS DESK

The country's electronics giant Walton has launched "Digital Campaign Season-21" across the country from October 10 to December 31.

The campaign features a "double million" offer under which customers can win Tk 20 lakh on purchase of Walton fridge, television, washing machine or BLDC (brushless direct-current motor) fan and sure cashback, according to a press release.

The offers will be applicable to purchases from Walton Plaza, distributor outlets across the country and online sales platform "E-plaza".

Actress Bidya Sinha Saha Mim, who joined as brand ambassador of "Digital Campaign Season-21", inaugurated the season at the company's corporate office in the capital on Wednesday.

"Walton is not just a brand; it's the pride of Bangladesh," Mim said. "Walton products are now at every home of Bangladesh."

"Beyond the country's boundaries, Walton products are being exported to many countries around the world. We feel proud that Walton has now been turned into a global electronics brand."

"In the previous several seasons of the campaign, many customers became millionaires after they had purchased Walton products," she said, thanking Walton for ensuring the best services.

Amin Khan, senior executive director of Walton, moderated the function, where Mohammad Rayhan, managing director of Walton Plaza, Eva Rezwana Nilu, additional managing director of Walton Hi-Tech, Galib Bin Mohammad, chief marketing officer, Md Firoj Alam, head of sales at Walton Distributor Network, and Ariful Ambia, head of Walton Strategic Business Development, were present.

Among others, Tanvir Rahman, chief business officer of Walton AC, and Tahasinul Haque, chief business officer of Walton Fridge, Mostafa Kamal, chief business officer of Home Appliance, Tanvir Anjum, managing director of Business Coordinator at Walton Hi-Tech, and Mofizur Rahman, chief information officer, Zoheb Ahmed, deputy chief marketing officer, and Habib Iftekhar Alam, deputy chief business officer of Walton TV, were also present.


Actress Bidya Sinha Saha Mim and senior officials of Walton Group pose for photographs after the launch of "Walton Digital Campaign Season-21" at the company's corporate office in the capital on Wednesday.

PHOTO: WALTON

# German govt sees economy shrinking again in 2024

AFP, *Frankfurt*

The German government on Wednesday slashed its 2024 forecast for Europe's largest economy, saying it will contract for a second straight year before a recovery gets under way in 2025.

Output is expected to shrink by 0.2 percent in 2024, the economy ministry said in a statement, a sharp downgrade from the 0.3-percent expansion previously forecast.

Germany's economy stalled in the first half of the year and a slew of disappointing indicators recently suggest "the economic weakness will persist into the second half of the year", it said.

Germany was already the only major advanced economy to fall into recession last year when it contracted by 0.3 percent, acting as a drag on the wider eurozone.

Stubbornly weak domestic and foreign demand, high interest rates and costly energy in the wake of Russia's war in Ukraine have all weighed heavily on the German economy -- particularly its crucial manufacturing sector.

At the same time, the country faces structural challenges including an ageing population, increased competition from China, burdensome bureaucracy and a complex green transition.

"Germany's structural problems are now taking their toll," Economy Minister Robert Habeck said.

"And this is happening amid major geo-economic challenges. Germany and Europe are caught in the middle of crises between China and the United States and must learn to assert themselves," he added.

Germany's woes were highlighted by a spate of bad news from the country's carmakers recently, as the flagship industry struggles with rising production costs and fierce competition from Chinese manufacturers on electric vehicles.

Volkswagen, Europe's biggest auto manufacturer, last month cut its annual outlook and said it would for the first time have to consider closing factories in Germany.

Rivals BMW and Mercedes-Benz have also lowered their outlook, citing falling Chinese demand.

Habeck warned that a Donald Trump victory in next month's US presidential election could worsen the problems for the German auto industry.

Trump has said he plans to levy tariffs on all foreign imports, including cars.

"We will then face ever greater problems, so you have to see that with great concern," said Habeck.

The economy ministry nevertheless expressed confidence that a rebound was just around the corner.

Higher wages, easing inflation and lower interest rates are expected to encourage domestic consumption next year, the ministry said, while an improved global outlook should boost exports and industrial investments.

The economy is expected to grow by 1.1 percent in 2025, according to the latest forecasts, up from a previous estimate of one percent.

In 2026, output is predicted to expand by 1.6 percent.

# BRAC Bank says its branches record highest monthly deposit growth in Bangladesh


Sheikh Mohammad Ashfaque, deputy managing director and head of branch distribution network of BRAC Bank, joins the branch leaders in celebrating the record deposit growth in a single month at the bank's head office in Dhaka recently.

PHOTO: BRAC BANK

STAR BUSINESS DESK

BRAC Bank's branch network had a net deposit growth of Tk 2,000 crore in September 2024, the highest single-month deposit growth by any branch network in Bangladesh.

The bank organised a celebration programme to mark the achievement at the bank's head office in Dhaka.

Sheikh Mohammad Ashfaque, deputy managing director and head of branch distribution network of the bank, joined the branch leaders to celebrate the event, the bank said in a press release.

About consistent deposit growth by branch distribution network, Selim RF Hussain, managing director and CEO, said, "BRAC Bank aims not only to become a banking partner but also to provide comprehensive financial advisory services to the customers."

"The continuous expansion of branches; sub-branches, strategic repositioning for maximum convenience, improved customer services, and enhanced digital banking solutions have significantly contributed to the growth."

"This consistency in growth will help us towards doubling the business," he added.

## New UK govt closes in on major employment reform

AFP, *London*

Britain's new Labour government on Thursday took a key step towards delivering major reforms to workers' rights with the presentation of its employment bill to parliament, pitting unions against businesses.

The bill contains key pre-election pledges, including a ban on zero-hours contracts, improvements to sick and maternity pay, and measures aimed at making it harder for employers to sack staff.

Other proposals are for increased flexibility around working hours and greater protection against sexual harassment in the workplace.

The proposed shakeup to employment legislation comes almost 100 days after Keir Starmer became prime minister following his Labour party's landslide general election win.

"This is a comprehensive bill which, once implemented, will represent the biggest upgrade in employment rights for a generation," Business Secretary Jonathan Reynolds said in a statement Thursday.

"It will raise the minimum floor of employment rights, raise living standards across the country and provide better support for those businesses who are engaged in good practices."

Since winning power in early July, Labour has acted swiftly to end drawn-out strikes by public- and private-sector workers over pay -- notably among doctors in Britain's free National Health Service.

"The Employment Rights Bill will ensure work pays, it'll forge a new partnership with business, and reset the dreadful industrial relations that have cost our economy and our NHS so much in recent years," Starmer told parliament Wednesday.

# Eastern Bank signs payroll banking deal with Mars Apparels

STAR BUSINESS DESK

Eastern Bank PLC recently signed a payroll banking agreement with Mars Apparels Limited, a Chattogram-based intimate apparel and sportswear manufacturing company.

M Khorshed Anowar, deputy managing director and head of retail and SME banking of the bank, and Mohsin Ahmed, managing director of Mars Apparels Limited, penned the deal at the latter's corporate office in the port city, said a press release.

Under the agreement, Mars Apparels' employees will enjoy a suite of comprehensive payroll banking services, including customised interest rates on personal loans, home loans, and other financial products.

Among others, Sanjay Das, head of corporate business of the bank, Mohammed Nasir Uddin, head of corporate banking, Trisha Taklim, head of payroll banking, and Kabir Hossain, assistant general manager of Mars Apparels, were also present.


Mohsin Ahmed, managing director of Mars Apparels Limited, and M Khorshed Anowar, deputy managing director and head of retail and SME banking of Eastern Bank PLC, pose for photographs after signing an agreement at the former's corporate office in Chattogram recently.

PHOTO: EASTERN BANK


Md Ashraf-uz-Zaman, deputy managing director and chief risk officer of Uttara Bank PLC, delivers his speech at the "Annual Risk Management Conference-2024" at a hotel in Dhaka recently.

PHOTO: UTTARA BANK

# Uttara Bank holds annual risk management conference

STAR BUSINESS DESK

Uttara Bank PLC recently organised its "Annual Risk Management Conference-2024" at a hotel in Dhaka.

Mohammed Rabiul Hossain, managing director and CEO of the bank, attended the conference as the chief guest, the bank said in a press release.

Md Ashraf-uz-Zaman, deputy managing director and chief risk officer of Uttara Bank, presided over the conference.

Maksudul Hasan, Md Abul Hashem and Md Rezaul Karim, deputy managing directors, along with zonal heads, executives, and branch and sub-branch incumbents were also present.

# Gold snaps losing streak

REUTERS

Gold prices recovered slightly on Thursday to snap a six-session losing streak, while traders remain focused on a key US inflation reading for insights on a potential rate reduction by the Federal Reserve this year.

Spot gold was up 0.3 percent at $2,615.19 per ounce, as of 0833 GMT. US gold futures edged 0.2 percent higher to $2,632.30.

"Expectations of further rate cuts are giving a modest lift to gold, despite much firmer Treasury yields and U.S. dollar," independent analyst Ross Norman said.The US dollar strengthened to a 10-week peak against the yen and Treasury yields climbed as investors continued to price in a less-aggressive monetary easing cycle from the Fed.

Investors await the US Consumer Price Index (CPI) for September, due at 1230 GMT, which is expected to show core inflation holding steady at a 3.2 percent year-on-year basis, according to economists polled by Reuters.

Robi Baroi mends a fishing net sitting on a boat with a uniquely long bow, which helps in evenly casting out and drawing in the net without getting it tangled. Baroi goes out with a team of fishermen casting their net around rivers in Jhalakathi and surrounding areas for around a week and each time they end up catching fish worth anywhere from Tk 30,000 to Tk 50,000. The photo was taken at Hartapara village in Barishal's Wazirpur upazila recently.

PHOTO: TITU DAS

# Card transactions hit 27-month low in August

AM JAHID

Transactions through debit, credit and prepaid cards dipped to a 27-month low in August this year, owing to a lack of cash in ATM booths amidst security concerns and people curtailing spending for political uncertainties.

Overall transactions through the cards in August amounted to Tk 33,980 crore, the lowest since June 2022, according to latest data from Bangladesh Bank.

In June 2022, Tk 37,531 crore was transacted through debit, credit and prepaid cards.

Overall transactions through the cards in August this year was a drop of 16.21 percent from that in July 2024.

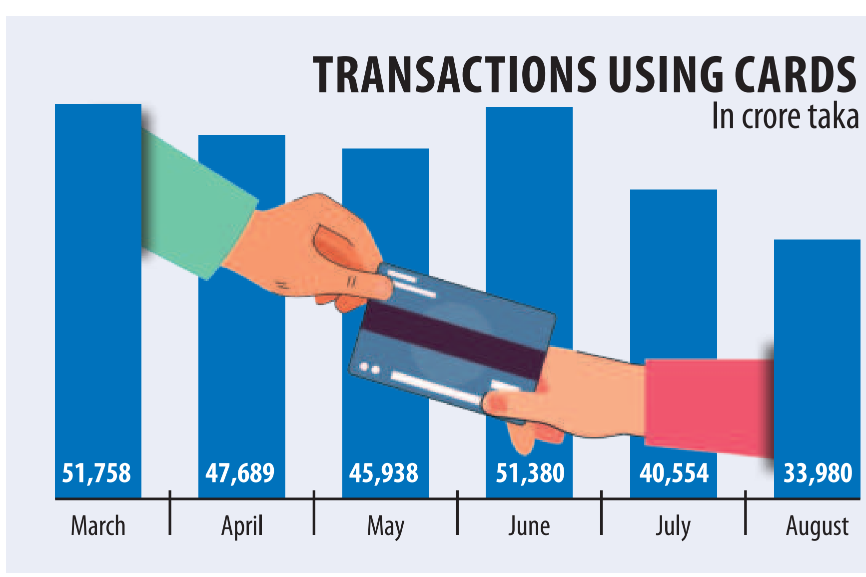
In case of just credit cards, Tk 2,556 crore was transacted in August, which is an 18-month low, meaning since March 2023, when it had amounted to Tk 2,652 crore.

In comparison to July this year, credit card transactions in August fell by 3.67 percent.

In case of just debit cards, the transactions fell by 17.2 percent to Tk 31,027 crore compared to that in July this year.

Besides, August's debit card transactions were the lowest in the last 27 months, meaning since June 2022, when Tk 34,744 crore was transacted using this type of card.

Prepaid cardholders transacted Tk 397 crore in August this year, which was 6.36 percent lower compared to that in the preceding month.




Despite the fall in the amount of transactions, the number of debit, credit and prepaid cards issued in August rose 0.92 percent, 0.21 percent and 6.13 percent respectively from that in the previous month.

As of August, the number of debit, credit and prepaid cards stood at 37.78 million, 2.53 million and 6.94 million respectively.

July and August saw some of the lowest transactions ever recorded through credit cards, said Md Mahiul Islam, head of retail banking at BRAC Bank.

Due to political uncertainties, people curtailed their spendings, he said.

On the occasion of Durga Puja, credit card transactions are currently increasing, said Islam.

Moreover, people will start to travel more while the number of wedding events will increase during the coming winter season, so credit card spending will subsequently rise, he added.

Meanwhile, according to industry insiders, the transactions through debit cards fell by a big margin due to a lack of cash in ATM booths.

Banks were unwilling to transport cash to replenish the booths over security concerns for the absence of law enforcers amidst an uprising that led to the fall of Awami League government on August 5.

Security concerns deepened the following day, when police officials embarked on a work abstention, citing reports of attacks on police stations and mob beatings.

# India's inflation in Sep likely overshot RBI's 4% target: poll

REUTERS, *Bengaluru*

India's retail inflation in September likely overshot the Reserve Bank of India's (RBI) 4 percent medium-term target for the first time since July due to a persistent rise in vegetable prices and a lower year-ago base, a Reuters poll found.

Food items, especially vegetables and other perishables, which make up a significant share of overall household spending in the country, saw an uptick in prices as heavy rains reduced the availability of essential crops.

A high base from last year, which helped bring down inflation in July and August, became a lower base last month, having the opposite effect.

The Oct. 3-9 Reuters poll of 48 economists predicted retail inflation as measured by the consumer price index (CPI) jumped to 5.04 percent in September from a year ago from 3.65 percent in August. Forecasts ranged from 3.60 percent to 5.40 percent.

The data will be released on Oct. 14 at 1200 GMT.

**Core inflation, which strips out volatile items such as food and energy, was expected to rise to 3.50 percent in September from 3.30 percent in August**

"September's reading will bear the brunt of a persistent spike in vegetable prices, especially tomatoes and onions .... Even edible oil prices are witnessing momentum due to an increase in international prices. All these concomitantly might put upside pressure on headline inflation," said Dipanwita Mazumdar, an economist at Bank of Baroda.

"Further, in terms of the statistical base as well, Q3 doesn't have an advantage," she added.

A separate Reuters poll showed inflation averaging 4.6 percent this quarter and 4.5 percent this fiscal year, above the central bank's 4 percent target.

Meanwhile, core inflation, which strips out volatile items such as food and energy, was expected to rise to 3.50 percent in September from 3.30 percent in August, partly due to telecom tariff hikes and higher gold prices.

"We see the persistent weakness in core CPI as a sign of growing economic slack, which is also mirrored in rising discounts on motor vehicles, and recent earnings from (fast moving consumer goods) companies also indicate lack of pricing power," said Rahul Bajoria, head of India and ASEAN economic research at Bank of America.

Benign core inflation could give the RBI, which left interest rates unchanged on Wednesday, room to start cutting in December. Most major central banks, including the US Federal Reserve, have already started an easing cycle.

"By the time RBI meets in December, they'll have at least a month minimum of good food price data ...(and) the Fed may have cut by 75 basis points. In that backdrop the RBI will find space to ease policy with a very shallow rate cut cycle," said Gaura Sengupta, chief economist at IDFC Bank.

# China's solar goes from supremacy to oversupply

AFP, *Beijing*

Strong state support and huge private investment have made China's solar industry a global powerhouse, but it faces new headwinds, from punitive tariffs abroad to a brutal price war at home.

Officials meeting in Baku next month for the COP29 summit hope to agree on new finance targets to help developing countries respond to climate change, including ditching fossil fuels.

Last year, countries agreed to triple global installed renewable energy capacity by 2030.

China is installing almost twice as much solar and wind power as every other country combined.

And it dominates the market.

It makes eight out of every 10 solar panels and controls 80 percent of every stage of the manufacturing process.

It is also home to the world's top 10 suppliers of solar panel manufacturing equipment, and its related exports hit a record $49 billion last year, according to Wood Mackenzie.

That supremacy is not accidental: Chinese state support has been key, analysts say.

Beijing invested over $50 billion in new solar supply capacity from 2011 to 2022, according to the International Energy Agency.

The industry has also benefited from access to cheap raw materials, readily available capital from state-owned banks, and huge engineering manpower.

"Chinese producers were ahead of everyone else on cost," said Lauri Myllyvirta, co-founder of the Centre for Research on Energy and Clean Air, a climate think tank.

"That meant new investment takes place in China, because that's where it's most competitive," he told AFP.

The focus has driven a "steep learning curve... both in solar cell technology and manufacturing know-how", added Johannes Bernreuter, a longtime solar industry analyst.

That in turn has created "an efficient industry ecosystem", he said.

As countries around the world race to convert their power systems, China's solar supremacy has become a growing concern.

The United States and other Western countries have accused Beijing of deliberate "overcapacity" and flooding global markets with cut-price solar exports intended to undercut competition.

Washington has doubled tariffs on Chinese panels to 50 percent, part of a broader package targeting $18 billion worth of Chinese imports in strategic sectors including electric vehicles, batteries, critical minerals and medical products.

The European Union is also probing Chinese-owned solar panel manufacturers for allegedly receiving unfair subsidies.

Most US solar panel imports now come from Southeast Asia, but Washington says Chinese manufacturers have relocated operations there to circumvent barriers.

China also accounts for almost all of Europe's imports of solar panels from outside the bloc.

That means many markets will struggle to catch up "with two decades of very forceful and very successful industrial policy in China", said Myllyvirta.

# No respite for jute goods makers from export fall

FROM PAGE B1

prices of raw jute in the domestic market have also cast a shadow over export prospects.

Helal Ahmed, chief operating officer of Janata-Sadat Jute Mills, one of the leading jute exporters, said inclement weather affected jute cultivation.

The Department of Agricultural Extension (DAE) estimates that Bangladesh's jute production fell to 75.65 lakh bales in the FY25, down 18 percent year-on-year.

Alongside that, stockists have become active in buying raw jute. So, prices jumped to around Tk 3,800-Tk 4,000 each maund, he said.

"No miller has been able to buy jute as prices of jute goods have not risen in the international market," he said.

"Many mills have suspended production. A number have reduced production drastically."

Ahmed said increased freight costs also affected exports.

"We have to ensure domestic use of jute to protect the sector," he said.

Rahman said the implementation of the law for mandatory use of jute sacks and bags for certain commodities, including rice, is urgently needed to protect the sector, which employs four crore people directly and indirectly.

"The jute industry's situation is dire," he lamented.

"We are already at the bottom of export earnings. The problem now is that foreign buyers want to purchase but we cannot accept orders because our cost to make yarn has shot up due to soaring prices of raw jute."

Bangladesh produces roughly 80 lakh bales of raw jute annually, with jute millers and spinners processing 80 percent to make sacks, bags, yarn and twine, mainly destined to be exported.

# Bangladesh still stays at bottom

FROM PAGE B1

The labour topic assesses labour rights, minimum wage, social protection and skilled labour availability.

The financial services topic encompasses funding availability, transaction security, e-payment systems and collateral systems. Clarity, transparency, administrative procedures, digital services, tax dispute management and effective tax rates are included in the taxation topic.

Bangladesh's scores in international trade, market competition, dispute resolution, and business insolvency are 54, 43, 42 and 40, respectively.

International trade includes regulatory restrictions, digital and physical infrastructure and trade compliance.

Dispute resolution assesses alternative dispute resolution systems and court litigation processes.

Market competition involves regulations promoting market competition and related public services. Business insolvency focuses on legal and procedural standards in insolvency proceedings.

A country does not need to be wealthy to develop a favourable business environment, the World Bank said in its key findings, referring to some low and middle-income economies like Colombia, Georgia, Rwanda and Nepal.

# Holidaymakers throng

FROM PAGE B1

So, even if domestic tourism declines, the rising consumption itself ensures that related businesses in hospitality will remain viable to a certain degree, he added.

Cox's Bazar was buzzing with holidaymakers yesterday, with more than 6 lakh people expected to visit the country's largest tourist destination till the coming Sunday.

And with about 2 lakh of these people expected to arrive on Friday and Saturday, almost all of the rooms at local accommodation facilities have been booked for the weekend.

There are more than 500 hotels, motels, resorts, guesthouses and cottages in Cox's Bazar that can collectively cater to about 1.87 lakh people each day.

Abul Kashem Sikder, president of the Cox's Bazar Hotel Guest House Owners Association, said tourists started arriving as early as Tuesday and at least 1 lakh more would gather yesterday.

He mentioned they will closely monitor accommodation prices so no one can charge tourists extra to capitalise on this influx.

Meanwhile, authorities of Sayeman Beach Resort and Hotel the Cox Today both informed that their establishments have achieved full bookings for Thursday, Friday and Saturday.

"Although we couldn't do any business during the peak season amid nationwide unrest, the situation is now improving," said Imranul Alam, owner of Tour Group BD, which operates houseboat services in Tanguar Haor of Sylhet.

Sylhet typically sees very few tourists at this time but this year is a little different as the number of visitors, especially in Sreemangal and haor areas, has increased considerably due to the travel ban.

As such, almost all of the houseboats and resorts in the region have been fully booked in advance of the Durga Puja holiday, he added.

Similarly, travel and hospitality service providers in Kuakata are hopeful of recovering the losses incurred during the recent mass uprising thanks to the extended holiday.

Rumman Imtiaz Tushar, owner of Ilisha Park Resort and president of the Tour Operators Association of Kuakata, said people could not leave their homes for a long time due to recent unrest in the country.

Bangladesh was embroiled in a political upheaval since mid-July as a mass uprising culminated with the ousting of the Awami League government on August 5.

But as the political situation is calming down, tourists are flocking to various destinations for the holiday on the occasion of Durga Puja, he added.

# Crisis-hit banks

FROM PAGE B1

"We are repaying depositors to fulfil basic needs or for medical issues, any urgent cases and encashment of remittance."

The bank is now trying to repay large-scale depositors in phases, he added. "We are now trying to win back the trust of depositors."

Six banks that were under the grip of the S Alam Group have been facing liquidity crises for more than two years.

Under the previous government, which was ousted by a mass uprising on August 5, the central bank provided special liquidity support to ailing lenders by printing money, which fuelled inflation.

However, after being appointed to the top post at the central bank, Mansur said the BB would not provide liquidity support by printing money and would instead allow banks to seek support from the inter-bank money market.

As this process takes longer, the situation plaguing the troubled lenders intensified.

Global Islami Bank chairman Amin said it may take around one year to mitigate the crisis at ailing banks.

# China opens $71b 'swap facility' to boost markets

AFP, *Beijing*

China's central bank boosted support for markets Thursday by opening up tens of billions of dollars in liquidity for firms to buy stocks as part of a raft of measures by Beijing to kickstart the country's flagging economy.

Authorities last month unveiled several stimulus policies -- from interest rate cuts to relaxing home-buying rules -- after struggling since the end of Covid restrictions to reignite growth and get business activity back on track.

The news lit a fire under mainland and Hong Kong equities on renewed hopes that officials would finally get a grip on the issues that have dogged the economy for years, particularly a property debt crisis and tepid consumer spending.

**Companies will be allowed to use equities, bonds and other assets as collateral for high-grade liquid assets such as treasury bonds and central bank bills**

That euphoria was dampened Tuesday as a much-anticipated news conference ended with just a pledge to meet the country's annual growth target but no more measures and no detail on those already announced.

But on Thursday the central bank fleshed out plans to encourage "the healthy and stable development of the capital market" by opening up a "swap facility" worth 500 billion yuan ($70.6 billion) that will allow firms to access cash to buy stocks.

Companies will be allowed to use equities, bonds and other assets as collateral for "high-grade liquid assets such as treasury bonds and central bank bills", it said.

The programme may be "further expanded depending on the situation", it added. Shanghai shares rose more than one percent in early trade and Hong Kong added more than two percent.

The measures were first announced last month alongside a raft of stimulus measures that triggered a blistering rally that sent markets up more than 20 percent.

**Ratan Tata, *right*, chairman of Tata Group, and Natarajan Chandrasekaran, chairman of Tata Sons, pose during the launch of the Tata Nexon electric car in Mumbai on January 28, 2020.**
PHOTO: AFP/FILE

# Ratan Tata: Indian mogul who built a global powerhouse

AFP, *Mumbai*

Industrialist Ratan Tata, who has died aged 86, was credited with transforming India's Tata Group into a globally renowned conglomerate with a portfolio ranging from software to sports cars.

A painfully shy student, he planned to be an architect and was working in the United States when his grandmother, who raised him, asked him to return home and join the sprawling family business.

He started out in 1962, staying in a hostel for apprentices and working on the shop floor near blast furnaces.

"It was terrible at that time but if I look back at it, it's been a very worthwhile experience because I have spent years hand-in-hand with the workers," he recounted in a rare interview.

Tata took over the family empire in 1991, riding the wave of the radical free-market reforms that the Indian government unleashed that year. His 21 years in charge saw the salt-to-steel conglomerate expand its global footprint to include British luxury brands such as Jaguar and Land Rover.

His vaulted ambitions for the group, founded under British colonial rule, were not initially welcomed by older board members, he said, prompting him to institute a company retirement age policy.

Born in Bombay, now Mumbai, in 1937, the Cornell University-educated Tata was known for his willingness to take risks.

In 2004, he took the conglomerate's software outsourcing arm Tata Consultancy Services public at a time when many were nervous about investing in technology stocks.

That same year, he declared he wanted Tata Group to "spread its wings far beyond India" and become "at home in the world" -- prompting a world tour to buy up major brands, including Britain's Tetley Tea and Anglo-Dutch steel firm Corus.

Tata's 2008 decision to purchase the loss-making Jaguar and Land Rover brands for $2.3 billion put him on the map.

He had less success with the $13.7 billion Corus acquisition as demand for European steel plummeted due to Chinese competition.

**Tata took over the family empire in 1991, riding the wave of the radical free-market reforms that the Indian government unleashed that year**

And his pet project Tata Nano, billed as the world's cheapest car, stuttered to a halt after finding few takers in status-conscious India, where consumers flinched at owning a so-called "poor man's car".

But the losses paled before his triumphs, which saw the Tata Group's revenues rise from around $6 billion to $100 billion, as the company's reach grew to more than 100 countries.

A highly respected figure in India's often turbulent corporate world, Tata could not entirely escape controversy.

He was questioned in 2011 by a parliamentary watchdog probing a multi-billion-dollar telecom licensing scam. The group was later cleared of any wrongdoing.

When he stepped down the next year on his 75th birthday, praise poured in with fellow industrialist Rahul Bajaj lauding his reign as "outstanding".

For his part, the media-shy mogul said, "I have devoted my life, as best I could, to the welfare of the group."

His retirement in 2012 was to prove short-lived however, with Tata briefly retaking the reins barely four years later as India's largest group endured its worst crisis in decades over the acrimonious sacking of his young successor Cyrus Mistry.

The first chief appointed from outside the immediate Tata family, Mistry faced multiple challenges with lacklustre performance at several of the group's firms.

His focus on divestments to shrink the conglomerate's $30 billion debt was said to have frustrated Tata, who believed the group should hold on to its assets and not reduce its global reach.

Few anticipated Mistry's ouster and the bitterness it unleashed, with the two men engaging in furious public mudslinging, including accusations of corporate malfeasance.

Mistry also dragged the holding company Tata Sons to court over claims that he was unfairly sacked, as the feud hit the group's global reputation and hammered its stocks.

The conglomerate stayed strong after his second departure, with Tata in 2021 welcoming debt-laden Air India back into the family fold decades after it was nationalised.

The lifelong bachelor later devoted his time to running the group's charitable arm and funding some of India's hottest start-ups.

A pillar of India's proud but dwindling Zoroastrian Parsi community, Tata also joined Instagram at the age of 81, winning over followers with posts sharing his passion for cars, flying and dogs.

# Climate action not a burden, but an opportunity for businesses

## Experts say

STAR BUSINESS REPORT

Climate action is not a burden for entrepreneurs and businesses, rather it presents an opportunity to enhance competitiveness, according to experts.

"Climate action should be treated as a core business strategy issue, not just a matter of compliance where we meet minimum standards," said M Fouzul Kabir Khan, adviser to the Ministry of Power, Energy, and Mineral Resources.

He was speaking yesterday at the plenary session of the "Bangladesh Climate Action Forum 2024," organised by the Bangladesh Apparel Exchange (BAE) at the Radisson Blu Dhaka Water Garden.

Khan said the risks of climate transition, particularly physical hazards like the recent floods across the country, pose real threats.

Institutional investment is needed to build protective or adaptive structures, and the perspective of loss and damage should be taken into consideration after any climate hazard occurs, he said.

"It's not just about risks. Climate-related risks also present opportunities for the business community in the actions they take today," Khan said.

He also mentioned that global investors are creating new opportunities for businesses to stay competitive and opening up new sources of international investment.

**"Climate action should be treated as a core business strategy issue, not just a matter of compliance where we meet minimum standards," said M Fouzul Kabir Khan, power and energy adviser**

He urged businesses to take advantage of the alignment with the interim government's reform agenda. "Now is the time to lead by modernising, upgrading and making businesses more responsible and impactful."

Khan also highlighted the low penetration of renewable energy in Bangladesh, which stands at just 2 percent. "We aim to increase this and move towards larger and more sustainable systems."

Lutfey Siddiqui, the chief adviser's special envoy for international affairs, said the modern journey towards sustainability began about 35 years ago.

"As entrepreneurs and businesses, it's important not just to focus on producing things cheaply, but on how we produce them," Siddiqui said.

"Climate transition is a real risk, and we need to treat it as a strategic business issue, not merely a compliance requirement."

Michael Miller, the ambassador and head of the delegation of the European Union to Bangladesh, pointed out the importance of action needed to be taken for countries like Bangladesh, which is among the most climate-vulnerable nations in the world.

Every fraction of a rise in global temperatures matters, he said. Miller also mentioned that the EU's Global Gateway Initiative aims to mobilise up to 300 billion euros in public and private investments by 2027 through a combination of grants, concessional loans, and guarantees to de-risk investments.

Achim Tröster, the German ambassador to Bangladesh, mentioned energy security as a critical concern for both Bangladesh and Germany.

As Bangladesh emerges as a major regional economic power, it is essential to meet its energy needs in a sustainable, secure, and climate-resilient manner, he said.

Thijs Woudstra, chargé d'affaires of the Netherlands embassy, said Bangladesh's garment industry is moving towards decarbonisation and it is time to take positive climate action in response to the national and global energy crisis.

"I look forward to continued collaboration with the Bangladeshi garment sector and the broader private sector to advance sustainable and circular textiles," he said.

Mostafiz Uddin, founder and CEO of the BAE, encouraged entrepreneurs to prioritise the planet and the country.

"Climate action is no longer a burden for businesses—it's an opportunity," he said.

# Telecom reforms for a smarter future

MAHTAB UDDIN AHMED

The shift from "Digital Bangladesh" to "Smart Bangladesh" was like trying to drive a car without an engine — all talk, little substance. While we have made big claims on paper, the reality was far from impressive. While waving the "Digital Bangladesh" flag, we ranked 105 out of 132 in Global Innovation Index 2023 (Source: World Intellectual Property Organization).

For over a decade, our telecom policy had been mainly benefiting a few powerful business groups, favouring political allies over real progress. As president of the Association of Mobile Telecom Operators of Bangladesh, I had grave reservations against critical resources of mobile operators being given away to political allies by regulators. Instead of making policies to advance digital growth, the focus was more on facilitating a selected few. Many of these policies were as corrupt as the regime itself, prioritising personal profits over the country's digital future.

According to ICT Development Index (IDI) of International Telecommunication Union of the United Nations, Bangladesh ranks 62 out of 100. The average IDI score for the 170 economies is 74.8. For 91 economies, the score is above 80. That puts Bangladesh among the bottom 38 economies. Worse still, Bangladesh ranks 111 on the E-Government Development Index (United Nations Educational, Scientific and Cultural Organization), and 75 on "E-Participation Rank". Bangladesh scores below 60 percent in "Mobile Internet Subscribers" and 6.1 percent in "Fixed Internet Subscribers".

The wish of the interim government's chief adviser to reduce data prices is certainly achievable by modifying policies and eliminating political beneficiaries. It is crucial not to compromise on key principles, viz 1) no loss of government revenue, 2) attract foreign direct investment (FDI), 3) remove the influence of past beneficiaries to share that benefit with the government and other stakeholders, and 4) reset policies to regain lost momentum. Given the industry's crucial role in revenue, FDI, socio-economic progress, and transparency, any approach that reduces government revenue or FDI is unsustainable.

**Unified licensing for a better future: a three-tier model**

A new three-tier licensing model is proposed to address the evolving needs of the telecom industry and ensure better service delivery. This model aims to streamline services, improve quality, and align with regional best practices, and thereby potentially transforming the telecommunications landscape. The three licensing layers are as follows:

1. Access network service: This layer provides end-users access to telecom networks to meet their communication needs, including voice and data. Licensed operators such as mobile network operators (MNOs) and internet service providers (ISPs) would serve customers directly under this licence. Even mobile virtual network operators (MVNO) should be considered here.

**Voice floor price should be eliminated to support the shift from voice-based to data-driven communication, says an expert.**
PHOTO: STAR/ FILE

2. Infrastructure service: This layer (nationwide telecommunication transmission network (NTTN), tower, submarine cable) would offer transmission services to MNOs, MVNOs and ISPs, ensuring the seamless flow of voice and data among customers. More will be discussed in Part 2 of this article.

3. Services and content: This layer would provide digital services beyond traditional voice and data offerings. It would encompass content providers, focusing on delivering enriched digital experiences to customers.

The above should facilitate optimising and licensing 2900+ licences in 29 categories. Licensees may be allowed to acquire multiple licences following regional best practices. Significant Market Power (SMP) should be implemented in each category for balanced growth.

**Immediate reforms and long-term strategy**

A swift reform could involve removing International Gateway Operators Forum (a forum of internet gateway licensees) within a month, eliminating discriminatory revenue-sharing and enabling call terminations at actual rates, benefiting all stakeholders. A more comprehensive reform, like restructuring licensing layers, would require cancelling or non-renewing licences, a complex process owing to existing conditions. Finalising the revised policy now would enable a smooth transition by 2027, fostering a more efficient and competitive telecom environment that enhances digital connectivity and consumer benefits. All these are only possible if the regulator is empowered and independent.

**Scrap voice floor price**

The voice floor price in Bangladesh should be eliminated to support the shift from voice-based to data-driven communication. While initially intended to help the MNOs, the floor price now hinders affordability and digital adoption. Most countries no longer charge for voice and SMS. With voice still making up 50-60 percent of the MNO revenue due to such support, the voice floor should be removed, and the MNOs should be given the same freedom as smartphone manufacturers and importers to drive data adoption.

Removing the voice floor price can drive competition, reduce communication costs, and make digital services accessible for all. Moreover, it will push everyone to focus on data consumption and penetration. The monthly data consumption in Bangladesh (5.5 GB) is one of the lowest in the region. India's Jio model proves that data & device inclusive packages can uplift both urban and rural communities without relying on voice revenue.

The government could consider introducing differentiated taxes on data and voice revenues to support this transition without losing revenue. The MNOs may strongly oppose this move, arguing that it would negatively impact low-income users. However, the reality is, such a policy threatens to leave the underprivileged trapped in the analog era, while the wealthy continue to enjoy the benefits of the digital age.

Hence, while the promises of telecom transformation sound fantastic, much of the groundwork is yet to be laid. It is time to trade the fancy slogans for real reforms, ensuring our progress is not just on paper. After all, it is always harder to glide into the future when we are held back by the past.

*The author is the founder and managing director of BuildCon Consultancies Ltd*